
SENATE RESOLUTION

AMENDING THE RULES OF THE SENATE OF THE TWENTY-THIRD LEGISLATURE
OF THE STATE OF HAWAII TO REQUIRE THE USE OF THE LINE ITEM
BUDGET FORMAT FOR THE SENATE BUDGET.

1 WHEREAS, the rules of the Senate may be amended pursuant to
2 Senate Rule 85 with one day's notice of the change by a majority
3 vote of the members of the Senate; and

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5 WHEREAS, for years, the basic format for governmental
6 agency budgeting has been the traditional "line item" format;
7 and

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9 WHEREAS, implemented first in the early 1900s as a "good
10 government" reform measure, the line item budget has been used
11 primarily as an expenditure control device; and

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13 WHEREAS, the line item budget format classifies
14 expenditures on the basis of categories called objects of
15 expenditure (personnel services, contractual services, capital
16 outlay, etc.) and within each category more detailed line-items
17 (salaries, travel, telephones, etc.); and

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19 WHEREAS, this type of budget focuses attention on how much
20 money is spent and for what purpose rather than the activity
21 affected or its outcomes; and

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23 WHEREAS, each object of expenditure (such as salaries,
24 fringe benefits, contractual services, maintenance, capital
25 outlay, etc.) is assigned a specific account number; and

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27 WHEREAS, these numbers are standard across departments and
28 agencies and can be adjusted easily by finance committees or by
29 administrations in times of fiscal shortfalls; and

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31 WHEREAS, line item budgets easily lend themselves to
32 "across the board" adjustments; and
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1 WHEREAS, line item budgets also are useful in determining
2 specific categories of cost; and

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4 WHEREAS, line item budgets usually provide three other
5 types of board or administrative control:

- 6
- 7 (1) Position control for new hires or continuing positions
- 8 during the annual budget process;
- 9
- 10 (2) Individual line item approval for each object of
- 11 expenditure and for mid-year adjustments; and
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- 13 (3) Prior approval for equipment purchases, travel,
- 14 outside contracting etc; and
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16 WHEREAS, although by law, the vast majority of governmental
17 agencies are required to adhere to the line item budget format,
18 the Senate of the State of Hawaii has not been subject to the
19 line item budget format requirement; and

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21 WHEREAS, the Senate of the Twenty-third Legislature of the
22 State of Hawaii believes that fiscal accountability and
23 transparency would be served if the Senate were to adopt the
24 line item budget format; now, therefore,

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26 BE IT RESOLVED by the Senate of the Twenty-third
27 Legislature of the State of Hawaii, Regular Session of 2006,
28 that Senate Rule 4(1) be amended to read as follows (proposed
29 changes underlined):

- 30
- 31 (1) The Vice-President and the President shall
- 32 prepare and administer a line item budget for the
- 33 Senate;
- 34

35 and

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37 BE IT FURTHER RESOLVED that the Clerk of the Senate shall
38 distribute Senate Rule 4(1), as amended by this Resolution, to
39 all Senators and revise the Senate Rules on the Senate's website
40 to reflect this amendment.

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OFFERED BY: *Amie M. ...*

